



# Senate

## File No. 750

General Assembly

February Session, 2014

**(Reprint of File No. 417)**

Substitute Senate Bill No. 25  
As Amended by Senate Amendment  
Schedule "A" and House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
May 3, 2014

### **AN ACT ESTABLISHING THE CONNECTICUT SMART START PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2014*) (a) For the fiscal years
- 2 ending June 30, 2015, to June 30, 2024, inclusive, the Office of Early
- 3 Childhood, in consultation with the Department of Education, shall
- 4 design and administer the Connecticut Smart Start competitive grant
- 5 program to reimburse local and regional boards of education for
- 6 capital and operating expenses related to establishing or expanding a
- 7 preschool program under the jurisdiction of the board of education for
- 8 the town. A local or regional board of education may submit an
- 9 application to the office, in accordance with the provisions of
- 10 subsection (b) of this section, and may receive (1) a grant for capital
- 11 expenses in an amount not to exceed seventy-five thousand dollars per
- 12 classroom for costs related to the renovation of an existing public
- 13 school to accommodate the establishment or expansion of a preschool
- 14 program, and (2) an annual grant for operating expenses (A) in an

15 amount not to exceed five thousand dollars per child served by such  
16 grant, or (B) in an amount not to exceed seventy-five thousand dollars  
17 for each preschool classroom, provided no town shall receive a total  
18 annual grant for operating expenses greater than three hundred  
19 thousand dollars. Each local or regional board of education that  
20 establishes or expands a preschool program under this section shall be  
21 eligible to receive an annual grant for operating expenses for a period  
22 of five years, provided such preschool program meets standards  
23 established by the Commissioner of Early Childhood. Such local or  
24 regional board of education may submit an application for renewal of  
25 such grant to the office.

26 (b) On and after July 1, 2014, local and regional boards of education,  
27 individually or cooperatively, pursuant to section 10-158a of the  
28 general statutes, may apply, at such time and in such manner as the  
29 commissioner prescribes, to the office for a capital grant and an  
30 operating grant for the purposes described in subsection (a) of this  
31 section. To be eligible to receive such grants under this section, an  
32 applicant board of education shall (1) demonstrate that it has a need  
33 for establishing or expanding a preschool program using information  
34 requested by the commissioner on a form prescribed by the  
35 commissioner, such as data collected from the preschool experience  
36 survey, described in section 583 of substitute house bill 5562 of the  
37 current session, as amended by House Amendment Schedule "A", (2)  
38 submit a plan for the expenditure of grant funds received under this  
39 section that outlines how such board of education will use such funds  
40 to establish or expand a preschool program, including, but not limited  
41 to, the amount that such board will contribute to the operation of such  
42 preschool program and how such board of education will provide  
43 access to preschool for children who would not otherwise be able to  
44 enroll in a preschool program, and (3) submit a letter of support for  
45 establishing or expanding a preschool program by the local or regional  
46 school readiness council, described in section 10-16r of the general  
47 statutes, if any, for the school district. The commissioner shall give  
48 priority to boards of education (A) that demonstrate the greatest need

49 for the establishment or expansion of a preschool program, and (B)  
50 whose plan allocates at least sixty per cent of the spaces in such  
51 preschool program to children who are members of families that are at  
52 or below seventy-five per cent of the state median income, or fifty per  
53 cent of the spaces in such preschool program to children who are  
54 eligible for free and reduced price lunches. The commissioner, in  
55 reviewing applications submitted under this subsection, shall also take  
56 into consideration (i) whether an applicant board of education (I)  
57 currently offers a full-day kindergarten program, (II) will be  
58 cooperating and coordinating with other governmental and  
59 community programs to provide services during periods when the  
60 preschool program is not in session, or (III) will collaborate with other  
61 boards of education, as part of a cooperative arrangement pursuant to  
62 section 10-158a of the general statutes, to offer a regional preschool  
63 program, and (ii) current community capacity for preschool programs  
64 and current opportunities for preschool for children in the community.

65 (c) A preschool program created or expanded under this section  
66 shall (1) contain a classroom with an individual who holds certification  
67 pursuant to section 10-145b of the general statutes with an  
68 endorsement in early childhood education or early childhood special  
69 education and is an employee of the board of education providing a  
70 preschool program under this section, (2) maintain a classroom size  
71 and teacher-child ratio that is in compliance with standards  
72 established by the National Association for the Education of Young  
73 Children, (3) obtain accreditation, as described in section 10-16p of the  
74 general statutes, not later than three years after the creation or  
75 expansion of the preschool program, and (4) be located in a public  
76 school or in a space maintained by an early care and education and  
77 child development program provider, pursuant to an agreement  
78 between a board of education and such early care and education and  
79 child development program provider.

80 (d) Each local or regional board of education receiving a grant under  
81 this section shall submit an annual report, on a form and in a manner  
82 prescribed by the commissioner, to the Office of Early Childhood

83 regarding the status and operation of the preschool program.

84 (e) A local or regional board of education receiving grant funds  
85 under this section may implement a sliding fee scale for the cost of  
86 services provided to children enrolled in such preschool program.

87 Sec. 2. Subsection (a) of section 504 of substitute house bill 5562 of  
88 the current session, as amended by House Amendment Schedule "A",  
89 is repealed and the following is substituted in lieu thereof (*Effective*  
90 *from passage*):

91 (a) The Office of Early Childhood shall develop and implement an  
92 early childhood information system. Such early childhood information  
93 system shall facilitate and encourage the sharing of data between and  
94 among early childhood service providers by tracking (1) the health,  
95 safety and school readiness of all young children receiving early care  
96 and education services from (A) any local or regional board of  
97 education, including children enrolled in a preschool program under  
98 the Connecticut Smart Start competitive grant program, pursuant to  
99 section 1 of this act, (B) school readiness program, as defined in section  
100 10-16p of the general statutes, as amended by this act, or (C) any  
101 program receiving public funding, in a manner similar to the system  
102 described in section 10-10a of the general statutes, (2) the  
103 characteristics of the existing and potential workforce serving such  
104 children, (3) the characteristics of such programs serving such children,  
105 and (4) data collected, if any, from the preschool experience survey,  
106 described in section 583 of substitute house bill 5562 of the current  
107 session, as amended by House Amendment Schedule "A".

108 Sec. 3. Section 581 of substitute house bill 5562 of the current  
109 session, as amended by House Amendment Schedule "A", is repealed  
110 and the following is substituted in lieu thereof (*Effective July 1, 2014*):

111 The Commissioner of Early Childhood shall develop a plan to  
112 provide (1) spaces to all eligible children, as defined in section 582 of  
113 substitute house bill 5562 of the current session, as amended by House  
114 Amendment Schedule "A", in an accredited school readiness program,

115 as defined in section 582 of substitute house bill 5562 of the current  
116 session, as amended by House Amendment Schedule "A", or a school  
117 readiness program seeking accreditation, as defined in section 582 of  
118 substitute house bill 5562 of the current session, as amended by House  
119 Amendment Schedule "A", and (2) access to a preschool program  
120 established or expanded under the Connecticut Smart Start  
121 competitive grant program, described in section 1 of this act. The  
122 commissioner shall submit such plan to the Governor on or before  
123 January 1, 2015.

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|---|---------------------|--|
| This act shall take effect as follows and shall amend the following sections: |                     |  |
| Section 1   | <i>July 1, 2014</i> | New section                            |
| Sec. 2  | <i>from passage</i> | HB 5562 (current session), Sec. 504(a) |
| Sec. 3  | <i>July 1, 2014</i> | HB 5562 (current session), Sec. 581    |

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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### ***OFA Fiscal Note***

***State Impact:*** See Below

***Municipal Impact:*** See Below

### ***Explanation***

**Section 1** will result in a cost to OEC of at least \$348,760 associated with establishing the new Connecticut Smart Start competitive grant program to reimburse towns for costs related to preschool expansion, through FY 24. Costs are related to grant distribution, staff, administration, and support expenses, student transportation and education cost sharing as described below:

**Capital Grants** – This section will result in a cost associated with grants for capital expenses to local and regional boards of education. Annual grant amounts shall not exceed \$75,000 per classroom.

**Operating Grants** – This section also results in a cost associated with operating grants for local and regional boards of education. Grant amounts shall not exceed \$5,000 per child or \$75,000 for each preschool classroom, provided the annual operating grant is not more than \$300,000. Each local or regional board is eligible for such grants for five years.

The actual cost for the capital and operating grants is dependent on the number of municipalities that apply to the program, the magnitude of the expansion, and the amount of eligible expenditures that can be reimbursed. It should be noted that sSB 29, An Act Authorizing Bonds of the State for Capital Purposes, includes \$10 million per year, beginning in FY 15, from the Tobacco Settlement Fund to fund

operating grants for early childhood preschool competitive grants to municipalities and \$100 million in bond authorizations for capital grants.

**Administration** - The cost associated with staff to administer the Smart Start program is \$348,760. Two Grants and Contracts Specialists (at approximately \$72,000 each), a Fiscal Administrative Assistant (\$52,500), and part-time Clerk Typist (\$17,300) and Information Technology Technician (\$21,200) are anticipated. Associated fringe benefits would result in additional costs of \$86,757. Other Expenses funding of approximately \$27,000 would support one-time start-up costs for staff (\$7,500) as well as potential costs to lease office space (\$19,500).

**Transportation** - There is a potential cost to the state and local and regional school districts due to transportation expenses related to expanded school enrollment. Local school transportation costs are partially reimbursable under the state's public school transportation grant program.

**Accreditation** - To the extent that OEC is required to assist grantees with meeting the requirement of accreditation, the current Accreditation Facilitation Project and technical assistance would need to be expanded, resulting in a cost to OEC.

**Education Cost Sharing** - To the extent that the bill would increase public school enrollment, it would result in future distributional changes in the ECS formula. The exact nature of the fiscal impact would be dependent upon which districts enrolled students.

Municipalities participating in the Smart Start program would experience: (1) costs of at least \$25,000 to adequately staff and operate a classroom and (2) a revenue gain of \$5,000 per child or \$75,000 per classroom from state grants.

In addition, municipalities would experience a revenue gain associated with capital grants of up to \$75,000 per classroom. To the

extent that such an expansion of preschool services results in expenditures beyond allowable capital funding provided by the state, municipalities will incur costs.

**Section 2** requires OEC to develop and implement an early childhood information system. The agency currently has bond funds to support such a system.

Senate "A" strikes the language in the underlying bill and 1) conforms to Executive Order No. 35 and statutorily implement PA 13-184, the FY 14 - FY 15 Biennial Budget, as amended by PA 13-247; 2) implements sHB 5030, the revised FY 15 budget, as favorably reported by the Appropriations Committee as it relates to a) the expansion of school readiness and includes \$2,191,391 for existing full-day, full-year school readiness seats at a rate of \$8,670 as well as additional funding for 1,020 new seats, b) child care licensing and regulatory functions, and includes funding of approximately \$1.5 million and 28 positions, and c) the transfer of youth camp regulation from DPH to OEC, and includes funding of \$373,196 and three positions; 3) establishes the Connecticut Smart Start competitive grant program, resulting in the impact described in Section 1 above, and 4) requires a preschool experience survey at a cost to OEC of approximately \$300,000.

House "A" strikes the language in the underlying bill as amended by Senate "A" and results in the impact described in Sections 1 and 2 above.

### ***The Out Years***

The bill specifies that OEC must administer the Smart Start program through FY 24.



**OLR Bill Analysis****sSB 25 (File 417, as amended by Senate "A" and House "A")\******AN ACT ESTABLISHING THE OFFICE OF EARLY CHILDHOOD.*****SUMMARY:**

The bill requires the Office of Early Childhood (OEC), in consultation with the State Department of Education (SDE), to design and administer the Connecticut Smart Start competitive grant program for local and regional boards of education to establish or expand preschool programs.

It also makes changes to sHB 5562, as amended by House Amendment "A" and passed by the House, which establishes the OEC. These changes require OEC's:

1. early childhood information system (created by sHB 5562, as amended, to facilitate and encourage the sharing of data between and among early childhood service providers) to track the health, safety, and school readiness of all young children receiving early care and education services in a preschool under the Smart Start program and
2. commissioner to develop a plan to provide access to a preschool program established or expanded under the Smart Start program, which she must submit to the governor by January 1, 2015.

**\*Senate Amendment "A":**

1. created OEC and established its duties,
2. revised OEC's plan to establish a new kindergarten entrance

- age,
3. expanded the competitive grant program for school readiness seats,
  4. increased the maximum per-pupil state school readiness reimbursement,
  5. created new duties for local and regional school readiness councils,
  6. transferred day care licensing and inspection duties and youth camp oversight to OEC,
  7. restored DPH employees who license day care providers to the mandated reporters list,
  8. made conforming changes to Teachers' Retirement System (TRS) definitions,
  9. permitted a memorandum of agreement (MOA) between OEC and DPH for assistance with day care oversight and records sharing,
  10. created the Smart Start competitive grant program, and
  11. required OEC to develop a preschool experience survey to inform eligibility for Smart Start grants and all other school readiness grants.

\*House Amendment "A" (1) restores OEC's duty to create the Smart Start competitive grant program, (2) requires OEC to track Smart Start preschool students in its early childhood information system, and (3) requires OEC's commissioner to develop a Smart Start access program.

EFFECTIVE DATE: July 1, 2014, except for provisions relating to tracking Smart Start students in the early childhood information system, which are effective upon passage.

**SMART START COMPETITIVE GRANT**

The bill requires OEC, in consultation with SDE, to design and administer the Connecticut Smart Start competitive grant program for FY 15 through FY 24. The program reimburses local and regional boards of education in the form of capital and operating grants for expenses related to establishing or expanding a preschool program under the board's jurisdiction. Boards must apply to OEC for the grants.

Boards may receive:

1. a capital grant of up to \$75,000 per classroom to renovate an existing public school to accommodate or expand a preschool program and
2. an annual grant for operating expenses, either in an amount up to (a) \$5,000 per child served by the program or (b) \$75,000 per classroom, for a period of five years, as long as the program continues to meet standards established by the OEC commissioner.

The bill prohibits a town from receiving more than \$300,000 in grants annually. It allows boards of education to apply for grant renewal after the five-year period expires.

Under the bill, boards may apply for the Smart Start program beginning July 1, 2014 in a time and manner that OEC prescribes. To be eligible for capital and operating grants, an applicant board must:

1. demonstrate a need to establish or expand a preschool program on a form provided by the OEC commissioner, using information from sources such as the preschool experience survey;
2. submit a plan for grant expenditure, including (a) the amount the board will contribute to the preschool program's operation and (b) how the board will provide preschool access to children

otherwise unable to enroll in a program; and

3. submit a letter of support from a local or regional school readiness council, if any is established for the school district.

The bill requires the OEC commissioner, when awarding Smart Start grants, to give priority to boards of education that demonstrate the greatest need for establishment or expansion and whose plan allocates at least (1) 60% of the spaces to children from families at or below 75% of the state median income or (2) 50% of the spaces to children who are eligible for free and reduced-price lunch.

It requires the OEC commissioner to also consider the following when reviewing Smart Start grant applications:

1. current community capacity for preschool programs;
2. current opportunities for preschool children in the community; and
3. whether the applying board (a) currently offers a full-day kindergarten program, (b) will be cooperating and coordinating with other governmental and community programs to provide services when the preschool program is not in session (presumably before school, after school, and during the summer), or (c) will collaborate with other boards of education in a cooperative arrangement to offer a regional preschool program.

Any preschool program established or expanded using Smart Start grants must meet several criteria, including:

1. contain a classroom with a certified teacher who (a) has an endorsement in early childhood education or early childhood special education and (b) is an employee of the board of education providing the program;
2. maintain a teacher-child classroom ratio and classroom size in

compliance with the National Association for the Education of Young Children's standards;

3. obtain school readiness accreditation within three years of the program's creation; and
4. be located in a (a) public school or (b) space maintained by an early care and education and child development program provider under an agreement with a board of education.

Under the bill, each board that receives a Smart Start grant (1) must submit an annual status report to OEC about the program's operation, on a form and in a manner prescribed by the OEC commissioner, and (2) may implement a sliding fee scale for services provided to enrolled children.

#### **COMMITTEE ACTION**

##### Education Committee

Joint Favorable Substitute

Yea 32 Nay 0 (03/21/2014)

##### Appropriations Committee

Joint Favorable

Yea 47 Nay 0